

The Honorable Martin Glenn
Chief Bankruptcy Judge
United States Bankruptcy Court for the Southern District of New York
Alexander Hamilton U.S. Custom House
One Bowling Green New York, NY 10004

Dear Chief Judge Glenn:

I am the sole owner of Clypeum, Inc, a recruitment firm based in the United States.

In November 2021, I took an SBA 7(a) loan of \$350,000 with the intent of growing my business by hiring additional sales staff. Because hiring takes time and does not happen overnight, I put \$275,000 into a Celsius corporate account in USDC in an effort to offset the interest from the SBA loan.

I chose to hold my money in Celsius based on Alex Mashinsky's fraudulent claims, primarily that Celsius generated yield by engaging in institutional lending and the statement that all funds would be returned to creditors in the event of bankruptcy. As we have all come to find out, neither of those statements were true. At the time, I made what I thought was a prudent choice by placing my funds in a large financial services firm with \$20B+ AUM, 500+ employees and significant venture backing.

Since June of 2022, I have had to pay ~\$4800 per month on my SBA loan payment for the privilege of having those assets locked within Celsius. Because I no longer had the raised funds accessible, I had to lay off much of my staff which destroyed the momentum of my business.

Additionally, this monthly payment has been devastating to my personal finances and, by extension, my ability to provide for my family. My loan is personally guaranteed by my personal assets, including my primary home, so I cannot simply declare my own bankruptcy and liquidate the business as we are a service business with few hard assets.

While this entire Chapter 11 case has been fraught with issues and less than desirable outcomes for all involved, I would like to highlight unequal treatment of certain corporate customers that have been forced to receive their claims in USD as opposed to cryptocurrency.

I am one of the corporate accounts that, despite writing to Celsius on their extremely short deadline that I would like to receive my distribution in cryptocurrency, was determined to receive our distributions in USD.

At the time, I was somewhat indifferent because I planned that even if I did receive USD, the BTC price when prices were locked on Jan 16th (\$42,973) were not materially different than the Effective Date of Jan 31st (\$42,458) and I planned to just buy back into cryptocurrency immediately as I anticipated a payment on or around the Effective Date (as stated by the Debtors).

However, I, and most other corporate accounts, have yet to receive any sort of funds as of 3/18/24. As I write this, the price of Bitcoin has risen to \$67,607 and ETH to \$3,518.

For my claim specifically of ~ \$305k (\$275k initial deposit + \$14k interest + 5% bonus), this has a significant, material impact in liquid distribution. As it stands, I stand to receive 57.9%, or \$176,595 in USD distributions. If my claim were paid in cryptocurrency, I would have received 2.05 BTC and 34.26 ETC. At current prices, this would be worth a combined \$259,454.

This is a material impact of \$82,859 in lost appreciation due to failure by the Debtors to pay in a timely manner.

There have been three primary issues with the treatment of corporate customers since the Effective Date.

First, we should have never found ourselves in a situation in which only 100 corporate creditors could receive cryptocurrency while the rest received USD. In the updated statement on distributions, the Debtors state that the 100 slots were due to limitations from Coinbase and the significant increased administrative burden to set up corporate accounts vs individual accounts.

Increased administrative burden is not a valid reason to treat creditors unequally.

If Coinbase was unable to service more than 100 corporate customers, the Debtors should have found another distribution partner that could manage the administrative load, starting with Paypal.

Secondly, the funds were liquidated on January 16th without a banking partner in place. This is a wildly irresponsible move by the Debtors that has continued to cause major delays for creditors receiving USD, and has caused creditors to miss out on the significant recent appreciation of BTC/ETH.

Third, K&E has assured individual (non-corporate) creditors that if there is an issue with Coinbase/Paypal and a creditor must be paid in USD, that their crypto will be sold and they will not miss out on the appreciation of the last couple of months.

This creates unequal treatment for individual creditors received USD vs corporate creditors received USD.

K&E's excuse for why this cannot happen for corporate creditors was because the cryptocurrency was already sold in mid-January. However, the court has determined that \$165M be withheld to remedy situations that arise exactly like this.

I ask the court to use a portion of the \$165M fund for its intended purpose: To ensure the equal and fair treatment of all creditors. If a corporate creditor has not yet been paid a USD check, I ask the court to allow for payment of cryptocurrency. If they have been paid a USD payment, I would ask that an additional payment be issued to "make them whole" at current prices vs the far lower prices of Jan 16th.

Thank you for your time and consideration.

Riece Keck
Founder
Clypeum, Inc